

ARTICLE APPEARED
ON PAGE B7

WASHINGTON POST
11 January 1983

'Spy' Firm Cuts Staff By Third

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International Reporting Information Services (IRIS), the high-powered "private spy network" in Crystal City that began marketing its service in November, has dismissed one-third of its work force abruptly and may face an uncertain future when its European financial backers meet next week.

Paul Boeker, the company's senior vice president, said 45 workers were let go "to bring current expenditures more in line with revenue results and prospects."

The Swedes, Britons, Liechtensteiners and other European investors who have put up more than \$15 million to get IRIS off the ground, and who only a month ago indicated they were prepared to wait several years for a return on their investment, apparently got nervous as expenses mounted and orders for IRIS services did not.

"We were pinched a bit by our investors. That was not anticipated," Boeker said. He said the investment group will meet next week in London, and "we should know more after that."

IRIS bills itself as a purveyor of sophisticated information and analysis about international political and economic events. It combines a computerized information-gathering network, developed by a former CIA technician, with analysis by experts in international political and economic affairs.

The company spent money freely last year—well in advance of signing any clients—to develop its computer system and enlist senior analysts such as political pundit Alan Baron and Erland H. Heginbotham, deputy assistant secretary of State in the Carter administration.

It was clear that expenses would outpace return for several years, because IRIS had only set a target of 50 clients by the end of this year for its service, which costs a minimum of \$100,000. Boeker said last month that the investors expected to lay out another \$5 million to \$10 million before they started getting any return.

IRIS still was adding personnel as recently as Dec. 20, according to one woman who was among those dismissed. Boeker said that, when the orders came to cut costs, the company's "basic structure remained intact," and IRIS hopes to begin a new expansion if marketing picks up later in the year.

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